

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1143-01
Bill No.: HB 448
Subject: Administration, Office of; Business and Commerce; Contracts and Contractors;
Labor and Management; State Departments
Type: Original
Date: February 18, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from **Jackson County** and the **City of St. Louis** did not respond to our fiscal impact request.

Officials from **Harris–Stowe State College** and **Central Missouri State University** did not respond to our fiscal impact request. However, in response to a similar proposal from the current session, officials assumed the proposal would have no fiscal impact on their agencies.

Officials from **St. Louis County** did not respond to our fiscal impact request. However, in response to a similar proposal from the current session, officials assumed no significant fiscal impact resulting from passage of the proposal.

Officials from the **Office of the State Courts Administrator, Department of Labor and Industrial Relations, Department of Conservation, Department of Higher Education, Department of Transportation, Office of Administration – Division of Design and Construction, Truman State University, Lincoln University, University of Missouri** and **Linn State Technical College** assume the proposal would have no fiscal impact on their agencies.

ASSUMPTION (continued)

Officials from the **City of Springfield** assume the proposal would not result in any direct identifiable costs, revenues, savings or losses.

Officials from **The Metropolitan Community Colleges** assume the proposal could reduce construction expense; however, the amount of reduction is unknown.

Officials from the **City of Kansas City** assume the proposal could result in an unknown negative fiscal impact to the City.

Officials from the **Office of Administration – Division of Purchasing and Materials Management** assume this proposal would prohibit bid specifications and contracts established by public agencies from imposing certain labor requirements on bidders and contractors. The Division of Purchasing currently does not issue bid specifications or award contracts that encourage or require contractors to enter into agreements with labor organizations. Therefore, this proposal would not significantly impact the Division of Purchasing.

Officials from the **Office of Attorney General** assume the costs related to this proposal are unknown (less than \$100,000 annually) because the proposal may impose attorney fees against the State in contracting cases.

Oversight notes in response to an identical proposal from the current session, officials from The Metropolitan Community Colleges and the City of Kansas City assumed the proposal would result in no significant fiscal impact on their agencies. Accordingly, **Oversight** assumes the impact to local governments would be minimal and therefore shows the fiscal impact to be zero.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
GENERAL REVENUE FUND			
<u>Cost - Office of Attorney General</u>	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>

FISCAL IMPACT - Local Government

FY 2004
(10 Mo.)

FY 2005

FY 2006

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal establishes the "Open Contracting Act" which prohibits public agencies from imposing certain labor requirements as conditions for performing public works. Public entities procuring products or services or entering into contracts for manufacture of public works shall ensure that their agreements do not bind the other parties to such agreement to labor organizations. Public entities shall not discriminate against such parties who refuse to adhere to agreements with labor organizations. Public entities shall not require such parties to make their employees join or pay dues or fees to a labor organization in excess of costs already paid.

Public entities shall not issue grants or contract for construction projects requiring another party's employees join, become affiliated with, or pay more money to a labor organization. Such entities may exercise authority, as required, to prevent such action by a grant recipient or party to a contract. Any interested party has standing to challenge agreements that violate these provisions.

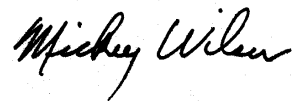
This proposal is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Attorney General
Office of the State Courts Administrator
Department of Labor and Industrial Relations
Department of Conservation
Department of Higher Education
Department of Transportation
Office of Administration
 Division of Design and Construction
 Division of Purchasing and Materials Management
Truman State University
Lincoln University
University of Missouri
Linn State Technical College
City of Springfield
City of Kansas City
The Metropolitan Community Colleges

NOT RESPONDING

Jackson County
St. Louis County
City of St. Louis
Harris-Stowe State College
Central Missouri State University



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Director

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